GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

The Andhra Pradesh Value Added Tax Act, 2005 – Schedule V - Revision of rate of tax – Notification – Orders – Issued.

REVENUE (COMMERCIAL TAXES-II) DEPARTMENT

G.O.MS.No. 265 Dated: 12-09-2020

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ORDER:

The Andhra Pradesh Value Added Tax Act, 2005 (APVAT Act) was introduced in the State with effect from 01-04-2005 providing for levy and collection of tax on intrastate sales of Goods. After introduction of GST with effect from 01-07-2017, all the goods were subsumed in GST except five petroleum products namely Crude Oil, Natural Gas, High Speed Diesel, Petrol, Aviation Turbine Fuel (ATF) and Liquor for human consumption on which VAT is continued to be levied under APVAT Act. Of the five petroleum products, Crude Oil is taxed at 5% under Schedule-IV, Natural Gas at 14.5% under Schedule-V; and Petrol at 31% + Rs.4/- per litre, Diesel at 22.25% + Rs.4/- per litre and ATF at 1% under Schedule-VI of the APVAT Act. Presently, only Natural Gas is left to be taxed under Schedule-V of the APVAT Act after subsuming all other goods in GST.

2. The COVID-19 lockdown implemented since 23rd March, 2020 in the State following the directions of Ministry of Home Affairs, Government of India, had resulted in cessation of all the economic activities in the State seriously affecting the revenues of the State during the months of April, May, June, July and August, 2020. In April, 2020, the revenue realized in the State was only Rs.1323 Cr as against Rs.4,480 Cr realized in April, 2019 which accounts for only 29.5% of the total expected revenue. Similar trends were observed for the months of May, June, July and August, 2020 also.

3. While the fall in revenues from all sources continued, there is steep increase in the expenditure relating to health services for combating COVID-19 pandemic. Furthermore, the Government of Andhra Pradesh is implementing several schemes for the welfare of people from downtrodden sections. The Schemes include Rythu Bharosa, Vahana Mithra, Jagananna Vidya Deevena, Jaganna Chedodu, Tele medicine, zero interest loan schemes to women, Amma Vodi, Nadu Nedu etc. These welfare schemes require huge financial allocations. Considering the fact that the revenues of the State are plummeting on one hand and the requirement for finances to implement the pro-poor schemes is escalating on the other hand, it has become imperative to augment the revenues of the State.

4. Taking all the factors into consideration, Government have decided to increase the rate of tax on Natural Gas from 14.5% to 24.5% by revising the tax rate under Schedule-V of the APVAT Act.

P.T.O.

5. Accordingly, the following Notification shall be published in an Extra Ordinary issue of the Andhra Pradesh Gazette. The Notification shall come into force with immediate effect:

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of Section 79 of the Andhra Pradesh Value Added Tax Act, 2005 (Andhra Pradesh Act No.5 of 2005), the Government of Andhra Pradesh hereby makes the following amendment to Schedule-V of the said Act:

AMENDMENT

In Schedule-V of the said Act, 2005, for the figure and percentage symbol '14.5%', the figure and percentage symbol '24.5%' shall be substituted.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Printing, Stationery and Stores Purchase (Publication Wing), A.P., Vijayawada ... for publication of the Notification (he is requested to supply20 copies of the notification to this Department and 200 copies to the Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada)
The Chief Commissioner of State Tax, Andhra Pradesh, Vijayawada.
Copy to:
The Secretary, VAT Appellate Tribunal, Visakhapatnam.
The State Representative before the VAT Appellate Tribunal, Visakhapatnam.
The Director General, General Administration (Vigilance & Enforcement) Department, 2nd floor, Pundit Nehru Bus Station Complex, Vijayawada.
The P.S. to Principal Secretary to the Hon'ble Chief Minister.
The P.S. to the Hon'ble Deputy Chief Minister (Excise & Commercial Taxes).
The P.S.to the Spl.C.S (CT, Excise and Regn.,& Stamps).
Sc/Sf

//FORWARDED :: BY ORDER//

SECTION OFFICER